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WHAT CALIFORNIA HAS DONE TO PROTECT ITS WOMEN WORKERS

Preliminary Report

of the

INDUSTRIAL WELFARE COMMISSION

STATE OF CALIFORNIA

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To the Governor and the Legislature of the
State of California,
Sacramento, California.

In compliance with Chapter 324, Statutes of 1913, and pending the completion of the Fifth Biennial Report, we herewith transmit a report of the investigations and proceedings of the Industrial Welfare Commission for the biennial period 1921–1922.

Respectfully,

INDUSTRIAL WELFARE COMMISSION
STATE OF CALIFORNIA.

A. B. C. Dohrmann,
Chairman.

Katherine Philips Edson,
Executive Commissioner.

Walter G. Mathewson.
Henry W. Louis.
Paul A. Sinsheimer.

February 28, 1923.

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STATEMENT OF EXPENDITURES FOR THE SEVENTY-THIRD FISCAL YEAR AND ESTIMATED EXPENDITURES FOR THE SEVENTY-FOURTH FISCAL YEAR.

July 1, 1921, to June 30, 1923.

Salaries and Wages		$73,994 61
Commissioners, per diems (Including Executive)	$9,360 00	
Secretarial and Clerical Assistants and Special Agents	64,634 61	
Total	$73,994 61	
Material and Supplies (Including portion of printing)		3,555 45
Service and Expense		35,706 21
Wage Boards	$3,130 12	
Revision of Wage Orders	2,846 15	
Traveling Expense	15,759 19	
Rent	6,006 00	
Postage	1,774 00	
Telephone and Telegraph	1,842 82	
Printing	1,813 69	
Auto Expense and Repairs	789 63	
Miscellaneous Office Expense	1,744 61	
Total	$35,706 21	
Property and Equipment		2,104 48
Grand total		$115,360 75
Amount Appropriated		$130,985 00

(For the seventy-third and seventy-fourth years)

HISTORY OF THE ACTIVITIES OF THE INDUSTRIAL WELFARE COMMISSION OF CALIFORNIA.

In 1912 certain investigations made by the California Bureau of Labor Statistics as to wages paid to women in the industries of the State, revealed the fact that many women were living below any normal standard, and that such subnormal living was having a most disastrous effect on the health and morals of the women workers.

During 1913 the Legislature of California passed a minimum wage law and created an Industrial Welfare Commission to determine the cost of living and to fix the minimum wage, maximum hours of labor and the proper conditions in industry. The same Legislature also submitted to the voters of the State in 1914, the following amendment to the State Constitution, known as Section 17½, Article XX:

> The legislature may, by appropriate legislation, provide for the establishment of a minimum wage for women and minors and may provide for the comfort, health, safety and general welfare of any and all employees. No provision of this constitution shall be construed as a limitation upon the authority of the legislature to confer upon any commission now or hereafter created such power and authority as the legislature may deem requisite to carry out the provisions of this section.

This amendment was carried by 84,000 majority, showing the desire of the people that the women workers of California be protected from starvation wages.

In 1914 careful studies of the cost of living proved that $9.63 was the minimum cost of proper living. It was also shown that 58.2 per cent, or more than half, of the working women in the major industries of the State received less than $10 a week.

In 1915 an exhaustive survey was made of the fruit and vegetable canning industry which showed that this industry employed, during the canning season, the largest number of women workers in any industry in the State. The survey also revealed the fact that low wages and excessive hours of labor prevailed. Following the survey, the Commission, in February, 1916, fixed a minimum wage in the fruit and vegetable canning industry of 16 cents an hour for regular time and 20 cents an hour for all work after ten hours per day. It also fixed piece rates for the preparation of certain products.

The minimum wage is the lowest wage that can be paid to experienced women and minors working in any industry in which the Industrial Welfare Commission has made wage orders and the amount of the minimum wage is based upon the cost of living of a self dependent woman. The minimum wage is determined after the Commission has made an investigation of the cost of living and after the holding of wage boards and a public hearing. Under the authority given it by the law, the Commission also fixes the rates and conditions of apprenticeship and limits the number of apprentices or learners that may be employed in any industry or establishment.

In 1917 and 1918, the Industrial Welfare Commission established a minimum wage of $10 per week in the mercantile,

laundry, fish canning, fruit and vegetable packing and canning industries, for general and professional offices, unskilled and unclassified occupations, and the manufacturing industry. Sanitary regulations were also issued to cover these industries.

In 1919 an exhaustive study was made of the cost of living and it was found that $13.57 per week was the least amount that would provide the necessary cost of proper living. During 1919, orders were issued increasing the legal minimum wage from $10 to $13.50 per week in all industries employing women and minor workers in which the Commission had made regulations.

In 1920, as a result of a new study of the cost of living, the minimum wage was again increased in all of these industries to a wage of $16 a week.

During these years, strict regulation of working hours in the perishable fruit and vegetable and fish canning industries was effected through the application of minimum overtime rates of pay. A basic eight-hour day was established with punitive overtime rates of rate and one-quarter after eight hours and double time after twelve hours. This regulation made work after twelve hours practically prohibitive.

During the early part of 1921 the Commission received numerous informal petitions from employers requesting a reconsideration of the $16 minimum wage, with a view to reduction. A study of the cost of living made in the spring of 1921, however, showed that there had not been a sufficient decrease in living costs to warrant a change in the minimum wage.

In October, 1921, the California Manufacturers' Association formally petitioned the Commission for a rehearing. This formal request the Commission was forced, under the law, to recognize.

At this time there were also requests from employers in the various other industries for a reduction. A public hearing for consideration of the amendment of all orders was held on November 21, 1921. At this time the petitioners for the public hearing, the California Manufacturers' Association, submitted a suggested budget as a basis for a $12 minimum wage. The Commission called a general wage board in January, 1922, to consider the question of living costs. The report of the wage board was not unanimous, the representatives of employers voting for a $13 wage in the manufacturing industries and a $13.50 or $14 wage in the mercantile industry, while the representatives of the workers voted for the maintenance of the $16 minimum wage. The Commission then proceeded to call wage boards in the individual industries beginning with the needle trades industry, at the same time continuing a survey of living costs. The general wage board summoned in January, 1922, was again called together in March and on March 30th the wage board brought in the unanimous recommendation "that the matter of the minimum wage be decided in accordance with the budget that the Industrial Welfare Commission may determine to be fair, considering the present living conditions."

As the result of the analysis of the data gathered by the Commission and evidence submitted on the "present living conditions," the Commission, by resolution of April 11, 1922, fixed a minimum wage of $15 a week in the needle trades industry. The Commission was restrained from enforcing this order by an injunction issued by the Superior Court on petition of the organized needle workers. In the course of preparing the case

for the Commission, the Attorney General of California, acting as counsel for the Commission, discovered a technical defect in the publication of the notice of the public hearing which was preliminary to the needle trades order, which defect invalidated the order.

Following the issuance of the injunction the Commission conducted a cost of living survey for the purpose of keeping fully informed as to any fluctuations in living costs. On September 25, 1922, a public hearing was held to rectify the error in publication. Several public hearings and conferences followed. A wage board was held in the mercantile industry on December 27, 1922. On December 29, 1922, the Commission, on the basis of its findings and on the recommendation of the mercantile wage board, reaffirmed the $16 minimum wage in the mercantile industry.

RATES OF WAGES OF WOMEN AND MINORS IN THE MERCANTILE, LAUNDRY AND MANUFACTURING INDUSTRIES FROM APRIL, 1917, TO MARCH, 1922, UNDER THE MINIMUM WAGE ORDERS.

Mercantile Industry.

Date of Pay Roll	Minimum Wage Order	Per cent of women and minors receiving				Number of Employees	Number of Establishments
		Under $10.00	Under $16.00	$16.00	$17.00 and over		
April, 1917	No Order	41.4%	85.5%	2.2%	12.3%	14,335	575
September, 1917	$10.00 Order	20.3	85.4	2.0	12.5	15,794	575
March, 1919	10.00 Order	10.0	77.3	4.0	18.7	21,627	1,336
July, 1919	13.50 Order	6.2	73.2	5.0	21.8	23,088	1,605
August, 1920	16.00 Order	.4	13.1	40.0	46.9	28,645	1,710
March, 1922	16.00 Order	.3	6.1	32.9	61.0	31,159	2,543

Laundry Industry.

Date of Pay Roll	Minimum Wage Order	Per cent of women and minors receiving				Number of Employees	Number of Establishments
		Under $10.00	Under $16.00	$16.00	$17.00 and over		
October, 1917	No Order	56.3%	96.6%	1.0%	2.4%	6,394	270
January, 1918	$10.00 Order	22.5	95.9	1.3	2.8	6,327	270
November, 1918	10.00 Order	10.9	90.5	2.4	7.1	6,259	247
May, 1919	10.00 Order	5.0	85.7	3.6	10.7	7,315	481
August, 1919	13.50 Order	.3	66.8	8.9	24.3	7,983	568
August, 1920	16.00 Order	.0	9.4	31.5	59.1	7,568	504
March, 1922	16.00 Order	.0	4.1	32.5	63.4	8,651	591

Manufacturing Industry.

Date of Pay Roll	Minimum Wage Order	Per cent of women and minors receiving				Number of Employees	Number of Establishments
		Under $10.00	Under $16.00	$16.00	$17.00 and over		
January, 1919	$10.00 Order	14.8%	85.4%	3.7%	10.9%	9,219	674
September, 1919	13.50 Order	2.2	72.8	6.4	20.8	13,302	904
October, 1920	16.00 Order	.0	18.7	35.1	46.2	14,491	1,030
March, 1922	16.00 Order	.0	16.0	33.0	51.0	12,516	1,216

EFFECT OF MINIMUM WAGE ORDERS IN THE MERCANTILE, LAUNDRY, AND MANUFACTURING INDUSTRIES FROM APRIL, 1917, TO MARCH, 1922.

In 1917, four months before the $10 minimum wage became effective, 41.4 per cent of the women and minor workers in the mercantile industry received less than $10 per week, and 14.5 per cent received $16 and over per week.

In September, 1917, in the month when the minimum wage of $10 became effective, pay roll studies show that the number receiving less than $10 a week had been reduced to 20.3 per cent, while the groups receiving $16 and over remained practically static, i. e., the wages of those in the groups receiving the minimum and above were not advanced, but, on the other hand, there was no lowering of the wages in these groups to equalize the cost of operation. However, in each succeeding pay roll study, it was found that the per cent of women in the higher wage groups constantly increased and there was a corresponding decrease in the per cent of women in the lower wage groups, showing that a complete upward readjustment in the wage scale was effected with each advance in the minimum wage.

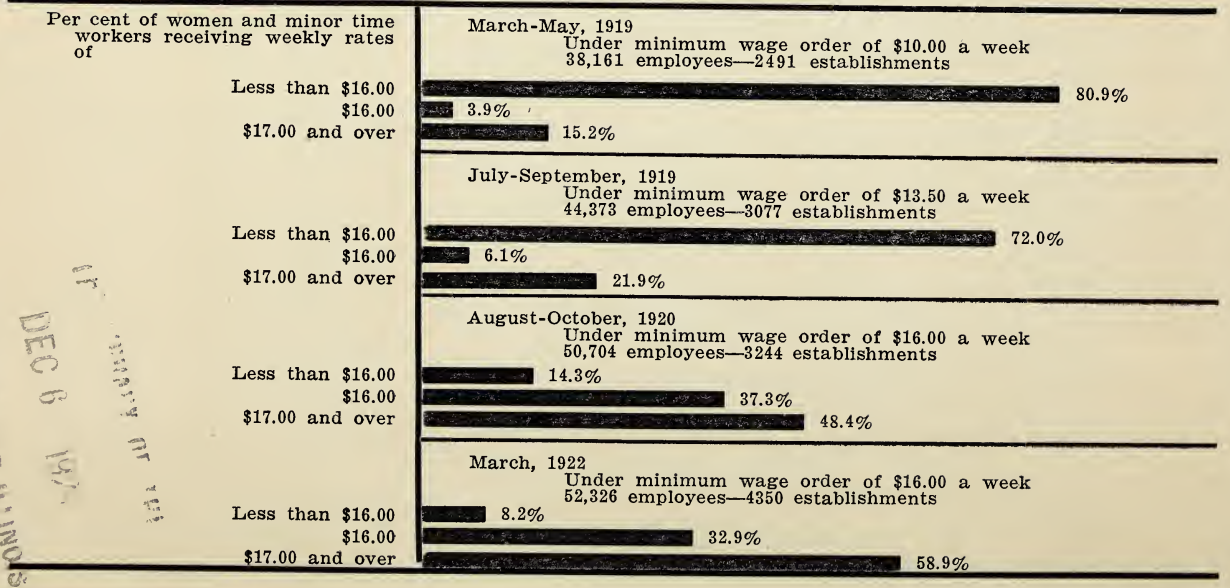
In March, 1919, three months before the minimum of $13.50 became effective, we find that 22.7 per cent of the women workers received $16 and over per week. In July, 1919, the month in which the $13.50 minimum became effective, 26.8 per cent of the women received $16 and over per week, an increase of 4.1 per cent.

From pay rolls gathered in the fall of 1920, immediately after the $16 minimum became effective, we find that 86.9 per cent of the women received $16 and over per week, and 46.9 per cent over the minimum wage. In March, 1922, 93.9 per cent received $16 and over a week, and 61 per cent received over the minimum wage.

The same results will be shown from an analysis of the pay rolls in the laundry and manufacturing industries.

EFFECT OF MINIMUM WAGE ORDERS, MARCH, 1919, TO MARCH, 1922, BASED ON RATES OF WAGES OF WOMEN AND MINORS.

Mercantile, Manufacturing and Laundry Industries.



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ENFORCEMENT OF ORDERS.

In the enforcement of its wage orders which protect the employment of 150,000 women, the Commission has made its work preventive as well as corrective. Many women workers who are familiar with the law are afraid to jeopardize their employment by registering complaints. A large number of workers are foreigners who can not read the orders which the Commission requires employers to post for the information and protection of the women. A great number of women who do realize that there is a minimum wage of $16 are uninformed as to the legal rates for inexperienced workers and have no knowledge of the Commission's limitation of the number of apprentices.

The number of complaints received by the Commission is relatively small compared with the number of adjustments which the Commission finds it necessary to make in order to bring industry up to the standard set by the State. During the biennial period the Commission has collected and paid to women workers $257,043.73. This amount represents the sum added to the women's wages through actual enforcement of minimum wage orders. Of this sum, $250,510.08 was collected and paid to the women as the result of the Commission's routine procedure of enforcement of minimum wage orders through establishment inspection, analysis of pay rolls filed with the Commission and the registration of apprentices. No one part of this procedure will enforce the minimum wage law adequately. Experience over a period of eight years of actual operation has shown that effective enforcement can be accomplished only through all of these means.

ESTABLISHMENT INSPECTIONS.

One part of the Commission's procedure in enforcing the minimum wage rates is through inspection of pay rolls in all establishments subject to the orders of the Commission, with reinspections in establishments in which violations are found. A routine inspection includes the examination of pay roll records to insure payment of the minimum wage to all women and minor workers, to insure the keeping of a record of hours worked and to insure the registration of apprentices. If inspection shows that women workers have been paid less than the legal minimum rates, an agent computes and collects for them the difference between the amounts which the employer has paid and the legal minimum rates to which the workers are entitled under the law. During the biennial period, agents of the Commission have made 4144 routine inspections. In addition, 2750 pay roll inspections were made in the fruit and vegetable canneries for the purpose of insuring the payment of fair piece rates to the women workers. This gives a total of 6894 inspections during the biennial period for the enforcement of the Commission's orders.

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REGISTRATION OF LEARNERS IN THE MERCANTILE, LAUNDRY, AND MANUFACTURING INDUSTRIES.

A complete registration system is operative in the mercantile, laundry, and manufacturing industries, insuring apprentices of the periodic increases in wage required by the law, crediting them with previous experience in the industry and enforcing the legal limitation of the number of apprentices employed in each establishment. These are the industries involving such skill for experienced workers as to require substantial apprenticeship periods. All other industries have apprenticeship periods of such short duration that registration is unnecessary.

When a woman or minor is employed for less than $16 a week in any one of these three industries, the employer is required to register such a worker as an apprentice with the Commission. The application for registration which is filled out jointly by the employer and the employee must state the wages paid as well as all previous experience gained by the worker in the same industry. Upon the receipt of each such application by the Commission, the record of the worker is checked against the registration records on file in the Commission's office so that the worker may be given full credit for her previous experience and her wage set in accordance with this experience.

This system is designed to protect the apprentice throughout her entire period of apprenticeship whether she has worked in one or more establishments in the same industry. Her whole industrial experience is made a matter of record with the Commission for this purpose. The system also prevents the registration of the experienced worker as an apprentice.

INSPECTION OF CERTIFIED PAY ROLL REPORTS.

At least once a year the Commission calls for the filing of certified pay roll reports from all establishments in which women are employed in large groups. During the present biennium 8000 certified pay roll reports have been filed with the Commission. These reports are examined for evidence of violation of the Commission's orders and are analyzed to determine the effect of the Commission's orders, for the guidance of the Commission. Wherever there is evidence of payment of less than the legal wage or when an excess number of learners is being employed, or where any other violation of the Commission's orders is shown, an inspection is made to correct and adjust these violations.

INVESTIGATION AND ADJUSTMENT OF COMPLAINTS.

During the biennial period, 859 complaints have been filed with this department, including complaints on nonpayment of the minimum wage, reports of bad working conditions and of failure to provide for a day of rest. These complaints are carefully investigated and conditions are remedied to conform to the standards required by the orders of the Commission.

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